The Smart Approach

to Campuswide Retention and Default Prevention Efforts

MDHE
Missouri Department of Higher Education
Building Missouri's future... by degrees®

The Missouri Department of Higher Education promotes default prevention and debt management initiatives related to student loan borrowing and repayment. Objectives include increasing the awareness of financing options for postsecondary education, reducing debt among postsecondary students and parents, increasing enrollment retention, reducing loan defaults, and generally increasing students' knowledge about their personal finances.

This brochure contains suggestions for how each and every office at an institution can positively impact student retention and loan repayment.

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Admissions Office

Inform

The admissions office is often the initial source of information for potential students. To help inform prospective students, admissions staff can:

Supplement recruiting and marketing literature with personal finance and debt management materials. For instance, it may be helpful to provide a suggested financial plan for completing the entire program of study, including potential post-graduation earnings and budget examples for student loan repayment. You may find the MDHE's "*Planning for Financial Success*" calendar a helpful tool. All publications are listed on Pages 8-9 of this brochure.

Evaluate admission standards in comparison to student retention rates to measure their effectiveness. Network with other institutional offices to review retention data, such as withdrawal rates and reasons for withdrawal, to develop strategies for improving retention. Revise admission standards if necessary.

Encourage students and families to plan for a career and a future, not just the first year or term. Work with the career services office to ensure incoming students are familiar with campus resources for planning a career or finding employment.

Financial Aid Office

Counsel

The financial aid office is an expansive source of information and support for debt management and default prevention. To assist with student success before, during and after program completion, financial aid staff can:

Work closely with the Missouri Department of Higher Education and the U.S. Department of Education to ensure that financial aid staff are fully educated regarding student loan processes, obligations and requirements. The MDHE employs two, full-time default prevention staff members who assist schools in establishing default prevention programs and services.

Consider changes to aid packaging formulas for an emphasis on grants, scholarships and part-time employment to help reduce student debt. Target high-risk populations by providing material that will encourage them to seek gift aid rather than loans. Educate students and their families about student loan responsibilities.

Communicate with admissions and instructional and program development staff to ensure that admitted and enrolled students have the ability to complete their educational programs. Cooperate with the other administrative offices on campus to ensure timely completion of deferment requests, enrollment histories and skip-tracing requests.

Utilize MDHE publications and services. Available publications are listed on Pages 8-9 of this brochure and may be ordered **free of charge** at any time.

Business Office

Communicate

The business office plays an important role in student retention and debt management. To help prospective and current students become more fiscally responsible, business office staff can:

Evaluate billing and tuition policies to ensure that admitted students have the ability to make payments in conjunction with federal and state student financial aid regulations and policies. Consider allowing students to pay charges not covered by federal or state aid in installments.

Work with the financial aid office to facilitate students' understanding of their loan responsibilities. When sending loan checks or disbursement notifications to students, enclose materials to remind students of their borrowing obligations. For instance, provide students with a copy of their loan history from NSLDS annually along with a repayment chart. A sample repayment chart is available to download from the MDHE website (dhe.mo.gov/files/RepaymentChart.pdf).

Consider modifying institutional policies regarding the sale of student information to credit card companies to help prevent students from accumulating credit card debt. Students with high credit card debt are more likely to have problems repaying their student loans.

Advising Office

Recommend

Advising staff are critical to student retention and student success. Studies show that program completion is one of the most important components of preventing default. To present a logical course road map leading to timely program completion, advising office staff can:

Provide good, sound advice to students who are considering a challenging program or course load. Do not overestimate a student's ability to complete a program of study or heavy course load.

Ensure that students are taking the required courses at the right time, so they can complete their programs of study in the prescribed time frame.

Communicate with the financial aid office if students are having academic problems or are considering withdrawing from the institution.

Student Retention/Student Services Office

Support
Student services and retention staff support students in achieving their educational, personal and professional goals. The student services staff can:

Establish an office or position to improve student retention and reduce default rates by facilitating coordination between key offices on campus (i.e., financial aid, admissions, the registrar, business office and career services). This employee may be responsible for monitoring student retention, identifying at-risk student populations, and recommending strategies for increasing program completion rates.

Develop retention-related programs and services, such as a student services referral network or assistance for students experiencing financial or academic difficulties. Recruit professionals from the local business community to act as mentors or role models for interested students. Contact the U.S. Department of Veterans Affairs and the Missouri Veterans Commission to develop support services for students who are veterans. Finally, develop a sense of community on campus by coordinating and encouraging student participation in school-sponsored activities and events, such as intramural sporting events, on-site movies, or other activities.

Provide students with information regarding childcare options in the community or offer childcare services on campus. Create a community resource directory for students with information on other available services.

Establish a procedure by which faculty notify staff when attendance-related problems occur. The procedure should provide a means for notifying the registrar's office, the financial aid office, the business office and any student support or retention offices.

Develop an exit questionnaire for students who withdraw from your institution. Research factors contributing to student withdrawal and obtain input from the state or local occupational and educational centers about postsecondary education completion concerns. Share the information with the financial aid and admissions offices and revise admission standards, academic requirements, or other support services as necessary.

"First-year Experience Office"

Refer students to appropriate campus services (financial aid, retention, career services, academic advisor, personal counseling) based on personal interactions with students. Work to familiarize new students with all school resources, so they know where to seek help.

Career Services Office

Assist

Finding employment completes the cycle for many students' education. Assisting exiting students in finding viable employment is a vital component to ensuring future professional success and the ability to repay student loans. The career services staff can:

Establish an office or position to help students and graduates find employment and to stay abreast of local and national employment trends. Offer job placement services to current, graduating and former students.

Contact state employment offices for information about employment and training opportunities. Utilize information available from the U.S. Department of Labor (www.dol.gov) and the Missouri Department of Economic Development (www.ded.mo.gov). Take advantage of other resources, such as Missouri Career Source (www.missouricareersource.com). Provide available information to prospective, current, graduating and former students.

Facilitate professional internships within the local business community, including federal and state agencies. Consider offering reduced tuition rates for employees of participating businesses. Network with the local Chamber of Commerce.

Instructional/Program Development Office

Evaluate

Quality programs encourage student enrichment and academic success. The instructional and program development office may have a significant impact on student retention and debt management. The program development staff can:

Ensure courses needed to complete programs of study are offered at the right time and in the right sequence. Too often, required courses are not available to students due to scheduling conflicts.

Consider the needs of current students before changing program curricula or graduation requirements. Provide a means for current students to complete the program of study, such as "grandfathering" these students for graduation. When changes are made, be sure to publicize the new program completion requirements to all offices on campus, including the financial aid office, admissions office, and student retention or student services office.

Add personal finance classes to the curriculum. Distribute the MDHE's "*Planning for Financial Success*" calendar or other materials during the class. Invite a guest speaker to teach a lesson on personal finance. To request a speaker from the MDHE, complete the online Speaking Event form (http://dhe.mo.gov/ppc/speakersbureau.php). Consider requiring successful completion of the course for graduation. For a list of the MDHE's publications, see Pages 8-9 of this brochure.

Entrance and Exit C

Effective entrance and exit counseling programs ensure borrowers are financia loan repayment. Be sure to follow all regulatory obligations. The counseling sta

Include all aspects of financial literacy in counseling sessions. For instance, staff may encourage borrowers to make interest payments on unsubsidized loans during in-school, grace and deferment periods, and on all loans during forbearance periods. Inform borrowers about the importance of making timely payments and/or using auto-debit. Distribute the Missouri Department of Higher Education's "*College Portfolio*" to all borrowers to facilitate organization of their financial aid documents. Finally, emphasize the importance of budgeting, provide information about budget and credit counseling services, and inform students about the loan repayment process. See Pages 8-9 for a list of publications.

Advise borrowers of all the "players" (e.g., the U.S. Department of Education and their servicers) involved with their student loan(s). Make sure borrowers with loans disbursed before July 2010 understand if they have lenders and guarantors and how to contact them.

Publications

The Missouri Department of Higher Education provides a number of publicatio counseling sessions, financial literacy and default prevention. All of the followi ***charge*** *to Missouri schools.*

"*College Portfolio*" - An expandable, tabbed portfolio that allows students to organize college and financial aid documents in one place.

"*Online MDHE*" - An overview of the MDHE website highlighting the features most useful to students and families planning and paying for college.

"*Planning for Financial Success*" - A handy calendar for both high school and college students, complete with financial literacy and money management tips to help guide them through the year; includes stickers to help customize the calendar with school deadlines: institutional aid, entrance and exit counseling, add and drop periods, school payment due dates, etc.

ounseling

lly literate and prepared for student aff can:

Ensure that trained staff are available before, during, or after the counseling sessions, and consider offering one-on-one counseling for interested or at-risk student populations. Make certain the counseling sessions are provided via methods and times that are flexible to accommodate student schedules, including non-traditional populations. Consider requiring counseling annually for all borrowers, including transfer students.

Consider using a checklist or questionnaire to test the students' understanding of information presented to them.

Provide borrowers information and/or assistance with repayment-related matters. Establish a loan liaison for borrowers to contact. Remind borrowers of payment due dates or steps to resolve delinquencies. When corresponding with borrowers, request address corrections and provide updated loan-related information.

*ons to assist with student loan ng publications are offered **free of***

"The Source" - A comprehensive guide designed to serve as the premier go-to resource for students in search of federal and state grants, scholarships, loans, and assistance completing the Free Application for Federal Student Aid (FAFSA).

You can order the MDHE's publications at www.dhe.mo.gov/publications.html.

Top 10 ways to graduate DEBT FREE

1. Complete the FAFSA annually.
2. Qualify for federal grants.
3. Research state scholarship and grant programs.
4. Apply for institutional scholarships.
5. Explore private scholarships.
6. Inquire about work programs available on campus.
7. Set up a payment plan for tuition.
8. Secure summer employment.
9. Invest in MOST, Missouri's 529 college savings plan.
10. Live like a college student now, so you don't have to later.

Notes

The Missouri Department of Higher Education has no control over, or responsibility for, material on other websites provided in this document. The MDHE does not verify the information on linked sites and does not endorse these sites or their source. Links are provided as a convenience only to MDHE customers.

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